

SPECIAL CITY COUNCIL MEETING

OCTOBER 22, 1984

PRESENT

Grant S. Nielson	Mayor
Craig Greathouse	Council Member
Don Dafoe	Council Member
Gayle Bunker	Council Member
Ruth Hansen	Council Member

ABSENT

Neil Dutson	Council Member
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OTHERS PRESENT

Jim Allan	City Manager
Dorothy Jeffery	City Recorder
John Quick	City Engineer
Warren Peterson	City Attorney
Vincent Crawford	Utah Power & Light Co.
Mr. Cox	Utah Power & Light Co.
Jim Fletcher	KNAK Radio Station
Mark Thomas	Zions First National Bank

Mayor Nielson called the meeting to order at 7:00 p.m. and stated that the Regular City Council Meeting had been cancelled, but a Special City Council Meeting was deemed necessary. A Waiver of Notice and Consent of Meeting was issued and signed by the following:

Gayle Bunker	Council Member
Craig Greathouse	Council Member
Don Dafoe	Council Member
Ruth Hansen	Council Member
Grant S. Nielson	Mayor
Dorothy Jeffery	City Recorder

The notice of the time, place and agenda of the meeting has been provided to the Millard County Chronicle, the Millard County Gazette, and the local radio station, KNAK, and to each member of the governing body by personal delivery of copies of the Notice and Agenda three (3) hours prior to the meeting.

CITY MANAGER JIM ALLAN: PROPOSED STREET LIGHT SYSTEM FOR DELTA CITY MAIN STREET FROM 500 WEST TO 500 EAST

City Manager Jim Allan stated that there are two options presented to the City for the street lighting concept. They are:

1. To have a city owned system.
2. To have a Utah Power & Light owned system.

The approximate cost for the street light system is approximately \$99,000. Mr. Allan presented the following Delta City Street Light Financing Schedules prepared by Zions First National Bank:

DELTA STREET LIGHT FINANCING

Option #1  
\$99,000 Lease

	<u>Estimated Initial Expenses</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Yearly Total</u>
Three Year Lease	\$1,000.00	10.0%	\$3,194.45	\$38,333.42
Five Year Lease	\$1,000.00	10.5%	\$2,127.90	\$25,532.75

DELTA STREET LIGHT FINANCING

Option #2  
General Obligation Bonds

	<u>Principal</u>	<u>Estimated Initial * Expenses</u>	<u>Estimated Net Interest Rate</u>	<u>Estimated Annual Payments</u>	<u>Estimated Mill Levy Increase<sup>3</sup></u>
Five Year Bonds	\$99,000	\$2,200	9.50%	\$25,800	2.54
15 Year Bonds	\$1,500,000 <sup>2</sup>	\$2,200	10.21%	\$152,000	14.94

\* The City can increase the size of the bond issue to include these costs. These expenses include the cost of an election. If the election should fail, the cost incurred would be approximately \$1,300.

<sup>2</sup> This principal amount includes street lighting for \$99,000, street paving of \$1,000,000 and issuance expenses.

<sup>3</sup> Based on the 1983 assessed valuation of \$10,174,193. This value does not include growth in assessed value in 1984 nor the anticipated annexations by the City.

DELTA STREET LIGHTING FINANCING

Recommendations

While the interest rate is lower on general obligation bonds than on a lease, the annual payment is about the same. This is true because the lease payment is on a monthly basis. Since no election is required on a lease and since the initial expenses are lower on a lease than on bonds, we recommend that the City finance the street light system with a lease.

We believe that it is in the City's best interest to finance the street lights for no longer than five years, unless it is in conjunction with another project financing. For this reason, we have shown the effect of a 15 year financing for street paving and lighting in Option #3. However, we suspect that this latter combination of projects would be unacceptable to City residents.

Along with the financing schedules, Mr. Allan also presented the following Electric Service Schedule No. 11:

ELECTRIC SERVICE  
SCHEDULE NO. 11  
STATE OF UTAH  
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Street Lighting  
Company-Owned Overhead System  
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AVAILABILITY: (1) Incandescent Lamps, fluorescent lamps and mercury vapor lamps -- at any point on Company's interconnected system for Customers taking service under the Schedule as of its effective date.

(2) Sodium vapor high intensity discharge lamps of nominal initial lumen rating of 5,600, 9,500, 16,000, 27,500, and 50,000 lumens -- at any point on Company's interconnected system.

APPLICATION: This Schedule is for service required for the lighting of public streets, alleys, thoroughfares and public grounds by standard incandescent metallic filament, sodium vapor, mercury vapor or fluorescent lamps, where service is supplied from a Company-owned overhead wood pole system.

MONTHLY BILL:

Rate:

Nominal Lamp Rating:

<u>Initial Lumens</u>	<u>Watts</u>	<u>Per Lamp</u>
Incandescent Lamps:		
500	50	\$ 7.11
1,000	92	\$10.59
2,500	189	\$12.87
4,000	295	\$13.39
6,000	405	\$15.53
10,000	620	\$20.22

Mercury Vapor Lamps:

4,000	100	\$ 8.99
7,000	175	\$10.25
10,000	250	\$15.46
20,000	400	\$17.20

Sodium Vapor Lamps:

5,600 high intensity discharge	70	\$ 9.97
9,500 high intensity discharge	100	\$10.52
16,000 high intensity discharge	150	\$14.43
27,500 high intensity discharge	250	\$15.71
50,000 high intensity discharge	400	\$18.81

Fluorescent Lamps:

21,000 per 4-lamp luminaire	400 per lum.	\$19.37 per lum.
21,800 per 2-lamp luminaire	320 per lum.	\$17.92 per lum.
43,600 per 4-lamp luminaire	640 per lum.	\$27.57 per lum.

These rates are for dusk to dawn burning. The rate for dusk to midnight burning will be 85% of the rate for dusk to dawn burning. The monthly energy charges incorporated in the flat rates shown above shall be increased or reduced by the Monthly Energy Charge Adjustment set forth in the currently effective Electric Service Schedule No. 35.

Should customer desire a steel pole instead of a wood pole, an additional charge will be made according to the following schedule:

1. All steel poles installed prior to June 1, 1973.
  - 11 gauge \$1.00 per pole per month
  - 3 gauge \$1.50 per pole per month
2. Steel poles installed after June 1, 1973.
  - 30 ft. 11 gauge, direct buried \$2.35 per pole per month
  - 30 ft. 3 gauge, direct buried \$3.95 per pole per month
  - 35 ft. 11 gauge, direct buried \$2.85 per pole per month
  - 35 ft. 3 gauge, direct buried \$4.65 per pole per month

For anchor base poles, add 20¢ per pole per month to all poles installed after June 1, 1973.

SPECIFICATIONS AND SERVICE: Each lamp will be operated from a series or multiple circuit, at the Company's option. Fixtures and supports will be in accordance with the Company's specifications. Service includes energy supplied from the Company's overhead circuits, maintenance, lamp and glassware renewals. Lamps will be controlled by the Company to burn each night from dusk to dawn or from dusk to midnight.

CONVERSIONS: The Company will, upon written request of Customer, convert existing street lighting facilities to other types of lamps (i.e., convert incandescent fixtures and lamps to sodium vapor fixtures and lamps, etc.). In such an event, Customer shall pay to Company an amount equal to the depreciated value of all facilities removed from service and replace with new equipment plus the cost of removal less any salvage value. Priority in making conversions shall be determined by Company, guided by two principles:

1. the order in which requests are received by the Company; and
2. the degree by which Customers' lighting prices were affected by the pricing adjustments established by the Public Service Commission of Utah in its Report and Order issued March 7, 1983 in Case Nos. 79-035-12, 80-035-17 and 81-035-13.

CONTRACT PERIOD: Three years or longer.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Public Service Commission of the State of Utah, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Issued on less than one (1) day's notice to the Commission and to the public by authority of Report and Order of the Public Service Commission of Utah in Case No. 84-035-01 dated September 13, 1984. This Tariff corrects and supersedes original P.S.C.U. Tariff No. 32 which was issued September 14, 1984, and effective September 5, 1984, as of the effective date stated below.

ISSUED: October 10, 1984

EFFECTIVE: October 10, 1984

ELECTRIC SERVICE  
SCHEDULE NO. 12  
STATE OF UTAH

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Street Lighting, Traffic and Other  
Signal System Service  
Customer-Owned System  
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AVAILABILITY: (1) Incandescent lamps, fluorescent lamps and mercury vapor lamps -- at any point on Company's interconnected system for Customers taking service under the Schedule as of its effective date.

(2) Sodium vapor high intensity discharge lamps of nominal initial lumen rating of 5,600, 9,500, 16,000, 275,00 and 50,000 lumens -- at any point on Company's interconnected system.

(3) Traffic and other associated warning or signal system service at any point on the Company's interconnected system.

APPLICATION: This Schedule is for service required for the lighting of public streets, alleys, thoroughfares and public grounds by standard incandescent metallic filament, sodium vapor, mercury vapor or fluorescent lamps, where the system is owned by the Customer.

This Schedule is also for service required for traffic and other associated warning or signal system service which service shall be single phase alternating current at secondary voltage levels through metered installations.

MONTHLY BILL:

Rate:

(1) Street Lighting (Computer Code 12)

Nominal Lamp Rating:

<u>Initial Lumens</u>	<u>Watts</u>	<u>Per Lamp</u>
Incandescent Lamps:		
2,500 or less	189	\$ 5.26
4,000	295	\$ 5.69
6,000	405	\$ 7.61
10,000	620	\$11.83
Mercury Vapor Lamps:		
4,000	100	\$ 2.28
7,000	175	\$ 3.29
10,000	250	\$ 5.04
20,000	400	\$ 6.32
37,000	700	\$11.62
54,000	1,000	\$18.46
Sodium Vapor Lamps:		
5,600 high intensity discharge	70	\$ 2.62
9,500 high intensity discharge	100	\$ 3.02
16,000 high intensity discharge	150	\$ 4.85
27,500 high intensity discharge	250	\$ 4.82
50,000 high intensity discharge	400	\$ 6.70
Fluorescent Lamps:		
21,800 per 2-lamp luminaire	320 per lum.	\$ 6.04 per lum.
43,600 per 4-lamp luminaire	640 per lum.	\$11.68 per lum.

Special Burning-hour Service

Dawn to Dawn (24 hour Service)

Sodium Vapor Lamps:

5,600 HPS	70	\$ 6.16
50,000 HPS	400	\$25.23

Dawn to Dusk (Daylight Service Only)

Sodium Vapor Lamps:

50,000	400	\$17.74
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Dusk to Midnight

The rate for dusk to midnight burning will be 80% of the rate for dusk to dawn burning.

(2) Traffic Signal Systems (Computer Code 104)

Rate: 5.4368¢ per kwh  
Minimum \$2.25

The monthly energy charge for traffic signal systems and the energy charges incorporated in the flat rates for street lighting shown above shall be increased or reduced by the Monthly Energy Charge Adjustment set forth in the currently effective Electric Service Schedule No. 35.

SPECIFICATIONS AND SERVICE: Each street lighting lamp will be operated from a series or multiple circuit, at the Company's option. The entire installation including initial lamp requirements and wiring with suitable connection to Company's system will be furnished and installed by Customer. Service includes energy, lamp and glassware renewals and cleaning of glassware. Burning-hours of lamps will be controlled by the Company. Each point of delivery where electric service is delivered to a traffic signal and/or other associated warning or signal system or group of such systems shall be separately metered and billed, and the entire system except the meter and service conductors to the point of delivery shall be furnished, installed, maintained, and operated by the Customer.

CONVERSIONS: The Company, will upon written request of Customer, convert existing street lighting facilities to other types of lamps (i.e., convert incandescent fixtures and lamps to sodium vapor fixtures and lamps, etc.). In such an event, Customer shall pay to Company an amount equal to the depreciated value of all Company-owned facilities removed from service and replaced with new equipment plus the cost of removal less any salvage value. Priority in making conversion shall be determined by Company, guided by two principles:

- (1) the order in which requests are received by the Company; and
- (2) the degree by which Customers' lighting prices were affected by the pricing adjustments established by the Public Service Commission of Utah in its Report and Order issued March 7, 1983 in Case Nos. 79-035-12, 80-035-17 and 81-035-13.

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After further discussion on the proposed street light system, the Council decided to do more research and make a decision at a later date. Therefore, no action was taken.

CITY MANAGER JIM ALLAN AND ATTORNEY WARREN PETERSON: MILLARD COUNTY FIRE DISTRICT

City Manager Jim Allan stated that the responsibility of the fire district is to provide service to Delta, Fillmore and all the outlying communities in the County. The Fire District has the same responsibility to provide service out at the Intermountain Power Project, or more fire protection because of the kind of facility that it is. From a legal standpoint, based on the information that has been determined, the fire district only needs to provide the same amount of service that is being provided to the other communities.

Attorney Warren Peterson noted, concerning possible withdrawal once a member, that any territory cannot withdraw from the district if there's an outstanding indebtedness. Once consent is given and the City is a member, the governing authority becomes the Fire Board. In order to withdraw Delta City from the District, the County Commission has that responsibility and prerogative.

Attorney Peterson stated that one alternative is to turn the operation of the fire department over to the Fire Board. The other alternative is to have the fire district contract with Delta City to provide fire protection.



The City Manager commented that the Board would determine the fire department policies, and the City would then have the administrative responsibility of carrying out those policies.

Attorney Peterson commented that Millard County probably intends to create the fire district whether with or without Fillmore and Delta Cities' participation. It was noted that there is a strong emotional component which could be counterproductive; therefore, a simple "no" from the City might be misinterpreted and might create ill will. Mayor Nielson felt that Delta and Fillmore could join later. This is especially important for Delta because Delta City would lose \$86,000 of IPP funding by joining now. It was felt that the Council should not join the district at this time.


Attorney Peterson suggested that the Council recommend that the County create the district for the purpose of capturing the revenue for fire protection and that Delta City, and possibly Fillmore, would consider joining later. The City Manager noted that Delta City and Fillmore would evaluate the proposal after more information is available and after a capital plan has been put together. This would permit the County Commission to consider at an appropriate time next year whether to amend the district and bring Delta and Fillmore in.

After further discussion, Council Member Ruth Hansen made a MOTION to include the following:

1. Delta City declines to join the Fire District at this time.
2. Delta City will continue to study the Fire District during the coming year to resolve issues affecting Delta City.
3. The County is encouraged to take whatever action is in the best interest for the County fire protection.

Council Member Gayle Bunker SECONDED the motion, which carried in the affirmative.

There being no further business, Council Member Don Dafoe MOVED to adjourn. Council Member Gayle Bunker SECONDED the motion. The motion carried unanimously and the meeting adjourned at 9:30 p.m.

  
GRANT S. NIELSON, Mayor

Attest:

  
DOROTHY JEFFERY  
Delta City Recorder

MINUTES APPROVED: October 29, 1984